

## APPROPRIATIONS FOR THE FISCAL YEAR 2008

### Salary Reserve Statute

1599-6901. For a reserve to adjust the wages, compensation or salary and associated employee-related costs to personnel earning less than \$40,000 in annual compensation who are employed by private human service providers that deliver human and social services under contracts with departments within the executive office of health and human services and the executive office of elder affairs; provided, that home care workers shall be eligible for funding from this appropriation; provided further, that the secretary of administration and finance may allocate the funds appropriated in this item to the departments in order to implement this initiative; provided further, that the executive office of health and human services shall condition the expenditure of the reserve upon assurances that the funds shall be used solely for the purposes of adjustments to wages, compensation or salary; provided further, that not later than January 15, 2008 the executive office shall submit to the house and senate committees on ways and means a report delineating the number of employees, by job title and average salary, receiving the adjustment in fiscal year 2008 and the average percentage adjustment funded by this reserve; provided further, that the report shall also include, for each contract scheduled to receive any allocation from this item in each such department, the total payroll expenditures in each contract for the categories of personnel scheduled to receive the adjustments; provided further, that no funds from this item shall be allocated to special education programs under chapter 71B of the General Laws, contracts for early education and care services or programs for which payment rates are negotiated and paid as class rates as established by the division of health care finance and policy; provided further, that no funds shall be allocated from this item to contracts funded exclusively by federal grants as delineated in section 2D; provided further, that the total fiscal year 2008 cost of salary adjustments and any other associated employee costs authorized thereunder shall not exceed \$23,000,000; provided further, that the executive office shall submit an allocation schedule to the house and senate committees on ways and means not less than 30 days after disbursement of funds; provided further, that the annualized cost of the adjustments in fiscal year 2009 shall not exceed the amount appropriated herein; provided further, that the executive office shall submit a plan by January 1, 2008 to the executive office of administration and finance and the house and senate committees on ways and means with recommendations for moving toward a more rational, market-based system for reimbursement rates for social services purchased under the purchase-of-service system; provided further, that the plan shall organize current services according to their similarity of purpose, cost structure and intended outcome; provided further, that the plan shall outline a strategy and resource requirements to restructure reimbursement rates for services; and provided further, that the plan shall be based on a comprehensive cost and market analysis with regard to unit rates, uniform pricing, efficiency standards, performance outcomes, annual rate of inflation, cost comparison of current system versus proposed system and other relevant factors, as determined by the executive office

..... \$23,000,000